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Growing Disparities among Greater Boston Communities during the 1990s

DAVID TERKLA

During the 1990s, rich communities in the Greater Boston area got richer, and the richest made gains that were proportionally greater than the gains made by those communities only slightly less rich. At the same time, the poorest communities stayed poor, and in fact became more poor in comparison with communities slightly less poor. This dynamic is even more striking when the ten poorest communities are compared and contrasted with the ten wealthiest communities. Census figures show a rapidly expanding differential between the communities of the Greater Boston area. As a commonwealth, we should be considering policies designed to ameliorate the situation.

While the Greater Boston area had a vibrant economy during the 1990s and early 2000s (until interrupted by the recession),[1] two recent studies have indicated that the Massachusetts economy benefited higher-income individuals more than the poor.[2] These same studies have documented the growing income disparity among individuals and between families with one and two earners. Given this growing inequality among earners, it is worth looking at whether the same inequality is showing up among communities.

Diversity of communities has always characterized Greater Boston: it ranges from wealthy bedroom communities to older, industrial urban centers.[3] However, a review of the income profiles of these communities for the years 1990 and 2000 shows a striking increase in the disparity between the wealthiest towns and the poorest towns.[4] This increased disparity may reflect nothing more than the growing disparity among individuals. Nonetheless, it has substantial policy implications in terms of the disparate ability of towns to provide needed services and the resulting stress on towns at the poorer end of the spectrum.

Tables 1 and 2 show the ten towns with the lowest median family income in 2000 and the ten richest towns based on this measure. Table 1 reveals that, in the four poorest towns, the real median family income of the residents actually declined over the decade (compare cols. 2 and 4). Overall, the population was poorer in 2000 than it was in 1990. The remaining six towns did experience increases in the real median family income of their residents—but in five of those six towns, the increase was less than 3 percent. Moreover, the bottom eight towns in table 1 were also the towns with the lowest median family incomes in 1990—and in exactly the same order, except for Cambridge and Malden. Quincy and Milford were not among the ten poorest towns in 1990.

In the town with the highest median family income (Weston), residents have more than five times the median income of residents in the town measured lowest on that scale, Chelsea, and almost three times the median income of residents of Milford, the richest of the ten poorest towns (on tables 1 and 2, compare cols. 1 and 2). Even the residents in the town with the tenth-highest median family income (Lexington) have more than 3.5 times the median family income of Chelsea residents and almost twice that of those living in Milford.

As with the poorest towns, there has been very little movement since 1990 among the richest towns. Southborough is a new addition to the list, reflecting the rapid growth of the I-495 area and the high salaries of much of the high-technology workforce located there. The only other change among these towns is that Sherborn, ranked number 2 in 1990, was ranked number 4 in 2000.

Because there have always been towns with a concentration of earners with higher incomes, it is hard to put this factor in perspective without some comparisons from other years. In comparing 1990 and 2000 median family income levels for the same towns, it is clear that the richest towns have seen much higher percentage increases in the income of their populations than the poorest towns. Only one of the ten richest towns experienced a decline in its real median family income, and the nominal increases among this group in median family income ranged from 29 to 66 percent, with only Sherborn experiencing a nominal increase below 40 percent. In sharp contrast, the poorest towns saw nominal increases in the range of 11 to 49 percent, and only Cambridge had an increase of more than 35 percent.

This initial comparison makes it clear that the wealthier towns have seen their residential population increase their incomes on average by substantially more than the poorer communities have. The ten towns with the largest percentage increases in median family income over the decade are listed in table 3. Four of these towns (Southborough, Weston, Carlisle, and Sudbury) are among the ten wealthiest towns (table 2). Four other towns (Boxborough, Wrentham,

Table 1. Towns with Lowest Median Family Income, 2000

Community	Median Family Income	Percent over 1990 Median in Nominal Dollars	1990 Income in 2000 Dollars
Milford	$61,029	35	$59,651
Quincy	$59,735	35	$58,212
Cambridge	$59,423	49	$52,687
Malden	$55,557	32	$55,465
Somerville	$51,243	33	$50,766
Everett	$49,876	33	$49,271
Revere	$45,865	23	$49,028
Lynn	$45,295	26	$47,206
Boston	$44,151	28	$45,292
Chelsea	$32,130	11	$38,259

Source: U.S. Bureau of the Census

Table 2. Towns with Highest Median Family Income, 2000

Community	Median Family Income	Percent over 1990 Median in Nominal Dollars	1990 Income in 2000 Dollars
Weston	$181,041	66	$143,279
Dover	$157,168	53	$135,432
Carlisle	$142,350	57	$119,570
Sherborn	$136,211	29	$137,799
Wellesley	$134,769	50	$118,615
Sudbury	$130,399	55	$110,717
Southborough	$119,454	68	$93,528
Concord	$115,839	44	$105,642
Wayland	$113,671	42	$105,113
Lexington	$111,899	44	$100,670

Source: U.S. Bureau of the Census

Table 3. Towns with Largest Percentage Increases in Median Family Income, 1990–2000

Community	Percent Increase	Median Family Income (2000)
Boxborough	82	$110,572
Wrentham	74	$89,058
Southborough	68	$119,454
Weston	66	$181,041
Hopkinton	65	$102,550
Bolton	62	$108,967
Carlisle	57	$142,350
Belmont	56	$130,399
Sudbury	55	$95,057
Needham	55	$107,570

Source: U.S. Bureau of the Census

Table 4. Poorest Towns, Average Household Income, 2000

Community	Average Household Income	Percent below 2000 Area Average ($75,412)	Percent above 1990 (Nominal Dollars)
Holbrook	$60,620	20	47
Weymouth	$60,496	20	38
Quincy	$58,181	23	47
Somerville	$56,986	24	56
Boston	$55,865	26	66
Malden	$53,640	29	41
Everett	$48,124	36	41
Revere	$47,363	37	37
Lynn	$46,062	39	41
Chelsea	$42,504	44	43

Source: U.S. Bureau of the Census

Table 5. Wealthiest Towns, Average Household Income, 2000

Community	Average Household Income	Percent above 2000 Area Average ($75,412)	Percent above 1990 (Nominal Dollars)
Weston	$243,534	223	437
Dover	$195,029	159	257
Sherborn	$168,221	123	192
Carlisle	$167,143	122	191
Wellesley	$160,867	113	197
Sudbury	$160,114	112	166
Wayland	$148,221	97	173
Concord	$142,343	89	156
Lincoln	$139,278	85	199
Winchester	$134,307	78	142

Source: U.S. Bureau of the Census

Hopkinton, and Bolton) benefited from the I-495 high-technology boom. None of the towns with relatively low median family incomes in 1990 showed such substantial growth over the decade.

The towns in the Greater Boston area can also be ranked by levels of average household income, and this allows the computation of a weighted average for the entire area with which to compare towns. The ten towns with the lowest and the highest average household income, respectively, in 2000, are shown in tables 4 and 5. As expected, there is substantial overlap with the towns in tables 1 and 2: the list of the poorest ten towns now excludes Cambridge and Milford and adds Weymouth and Holbrook, and the list of the richest towns drops Lexington and Southborough, which are replaced by Lincoln and Winchester.

The average household income for the entire Boston area is $75,412. The poorest towns range from almost 20 percent below that average, in Holbrook, to almost 44 percent below the average, in Chelsea (table 4, col. 3). In sharp contrast, the richest towns have average household incomes ranging from 223 percent above the area average (Weston) to 78 percent above the average (Winchester). See table 5, col. 3. As in the case of the median-family-income comparison, the richest town has an average household income that is almost six times that of the poorest town, and the "poorest" of the rich towns has more than twice the average household income of the "richest" of the poor towns.

Even more illuminating is a comparison with the 1990 census. As with median family income, the poorest towns in 2000 experienced much lower increases in average household income over the decade (37–66 percent) than did the wealthier towns (142–437 percent). See tables 4 and 5, col. 4. In sharp contrast to 2000, in 1990 (as shown in tables 6 and 7), the residents of the richest town (Stow) had only twice the average household income of those in the poorest town (Chelsea). The fact that this ratio has almost tripled in a decade should certainly be of some concern.[5]

A closer examination of tables 6 and 7, which show the poorest and richest towns, respectively, based on average household income in 1990, reveals even more clearly that the income difference among towns has become much larger and more skewed in 2000. The lowest ten towns ranged from only 5 percent below the area-weighted average household income ($42,587) to 30 percent below that average; only three towns were ranked more than 20 percent below the average (table 6). This contrasts sharply with 2000, when eight of the ten towns had average household income more than 20 percent below the Greater Boston average (table 4).

Likewise, in 1990 the ten richest towns were closely clumped between 35 and 42 percent above the Greater Boston average, in sharp contrast to 2000, when those same towns ranged from 78 to 223 percent above the area average. Thus, in the wealthier towns, not only has the average household income substantially increased and by a much higher percentage than in the poorer towns, but the gap between the wealthiest and tenth-wealthiest town has also increased, from 5 percent in 1990 to 81 percent in 2000.

Accompanying these sharp differences in income gains among the towns have been substantial differences in population increases, race and ethnicity changes, and employment. During the 1990s, many of the towns within the Route 128/I-93/I-95 belt experienced population decline or stagnation.[6] The exceptions were the three poorest towns in table 6. Chelsea saw a population increase of 22 percent, followed by Revere at 11 percent, and Lynn at almost 10 percent. In contrast, many of the towns in the I-495 area experienced exceptionally large population increases. For example, the

Table 6. Poorest Towns, Average Household Income, 1990

Community	Average Household Income	Percent below 1990 Area Average ($42,587)
Winthrop	$40,519	5
Quincy	$39,641	7
Malden	$38,129	11
Cambridge	$37,071	13
Somerville	$36,608	14
Revere	$34,615	19
Everett	$34,189	20
Boston	$33,724	21
Lynn	$32,688	23
Chelsea	$29,629	30

Source: U.S. Bureau of the Census

Table 7. Weathiest Towns, Average Household Income, 1990

Community	Average Household Income	Percent above 1990 Area Average ($42,587)
Stow	$60,353	42
Bolton	$60,302	42
Sudbury	$60,179	41
Norfolk	$59,565	40
Medfield	$59,557	40
Acton	$59,415	40
Sherborn	$57,628	35
Holliston	$57,610	35
Lexington	$57,531	35
Carlisle	$57,372	35

Source: U.S. Bureau of the Census

four towns from this area listed in table 5 all experienced greater than 33 percent increases in their populations, and two other towns in the region, Bolton and Hopkinton, grew more than 45 percent. Although the growth in these towns was largely a relatively high-income population (as evidenced by their presence in table 5), many of whom were employed in the high-tech/telecommunications industries, the expansion in Chelsea, Revere, and Lynn was clearly a much lower-income population, most of whom were recent immigrants to the area.

This is indicated by the change in race and ethnicity of these communities and others from tables 1 and 6. Quincy's minority population increased by 155 percent (almost 12,000) over the decade, while Lynn's was up by 112 percent (almost 18,000), Chelsea's by 89 percent (10,000), Boston's by 27 percent (63,000), and Everett's by 23 percent (7,000).[7] Both Chelsea and Boston have become minority "majority" populations during the 1990s. Minorities make up 62 percent of Chelsea's total population and 51 percent of the City of Boston's.

Chelsea and Lynn experienced a growth in their minority population that was higher than their overall population growth, 1.5 times in the case of Chelsea and more than 2 times in the case of Lynn. Therefore, these communities must have experienced substantial population turnover, with an exodus of much of their 1990 population and an influx of new residents.

At the same time that many of the poorer communities close to Boston were experiencing this influx in immigrant populations, some were also suffering job losses. While I-495 communities experienced job increases during the decade that ranged from 53 percent to 121 percent, jobs in Lynn were reduced by 15 percent and in Everett by 14 percent.[8] Likewise, Lynn experienced a 17 percent reduction in business establishments and Revere a reduction of more than 9 percent. Many of these losses occurred in the higher-paid manufacturing sector.

Many of these poorer communities have also experienced above-average unemployment rates during both the good times and the recent recession. In 2000, 19 communities in the Greater Boston area were experiencing unemployment rates greater than the area average, which was 2.2 percent. Of these communities, 11 were located within the Route 128/I-93/I-95 belt, including those with the highest rates—Chelsea (3.9 percent), Lynn (3.4 percent), Revere (3.4 percent), Hull (3.4 percent), Everett (3.0 percent), and Boston (2.9 percent). It is also worth noting that five of the remaining eight towns were in the I-495 belt (Bellingham, Hudson, Marlborough, Maynard, Milford), the first signs of the recession's blow to the high-tech/telecommunications sector.

By 2002, seven more communities had joined the list of those exceeding the area's average unemployment rate (now 4.8 percent). Almost all were from the I-495 corridor (Acton, Ashland, Bolton, Boxborough, Hopkinton, Southborough). However, all the poorer cities remained on the list, and their unemployment rates increased substantially—Chelsea (8.1 percent), Lynn (6.6 percent), Revere (6.5 percent), Everett (6.0 percent), and Boston (5.8 percent). Thus, although increased unemployment in the I-495 belt's higher-income industries might result in some temporary reduction in the disparity among community income levels, this factor is countered by equally large increases in unemployment rates in the poorer communities.

In addition to experiencing large population changes and in some cases a lowering of the real income of their resident families, several of the poorer communities on the list have also experienced difficulties in the education sector. Over the last half of the 1990s, Chelsea's high-school dropout rate increased 10 percent, and those of Boston, Everett, and Revere also increased, from 1.5 to 3.2 percent.[9] Further, the statewide average rate of students qualifying for federally subsidized school lunches during the 1999–2000 school year was less than 25 percent. In Chelsea it was 83 percent, and in Boston, 72 percent.

The difficulties experienced by the lower-income communities also extended to housing. In 2000, the median price of a home in Chelsea was $156,000, which required an income of $62,400 to qualify for purchasing, yet the median income of Chelsea families was only slightly over half of that figure, and average household income was only 68 percent of that level. The same is also true for most of the other low-income towns. Although the high housing prices relative to income is an areawide problem, it is particularly severe in these lower-income communities, since most of the residents who cannot afford to purchase a home in these towns also cannot afford one elsewhere, unlike the residents in the wealthier towns in the area.

Patterns of Uneven Development in the Metro North SDA

Some insight into the reasons behind the divergent economic destinies of communities in the Greater Boston region can be gained by a closer examination of the diverse set of cities and towns that are served by the Metro North Regional Employment Board. Arguably, the Metro North Service Delivery Area (SDA) is a microcosm of the larger region, as it is home to some of the region's most vital economic centers (Burlington and Cambridge), some of its more exclusive residential communities (Belmont and Winchester), and some of its more challenged urban areas (Chelsea and Everett), and it faces many of the same challenges confronted by the larger region.

When one examines where jobs are located and have been created in the Metro North SDA in light of the educational attainment and demographic composition of the local population, three types of communities emerge: high-tech job centers, higher-skilled communities, and lower-skilled communities.

As the table to the left indicates, what distinguishes these three types of communities from one another is the extent to which they are job locations (measured as the ratio of the number of jobs located in each community to that community's total population), the percentage of local jobs that can be classified as "high tech" (measured as the percentage of jobs classified by the CorpTech database as high-tech divided by total local jobs), and the percentage of the local population over 25 that possesses at least a bachelor's degree.

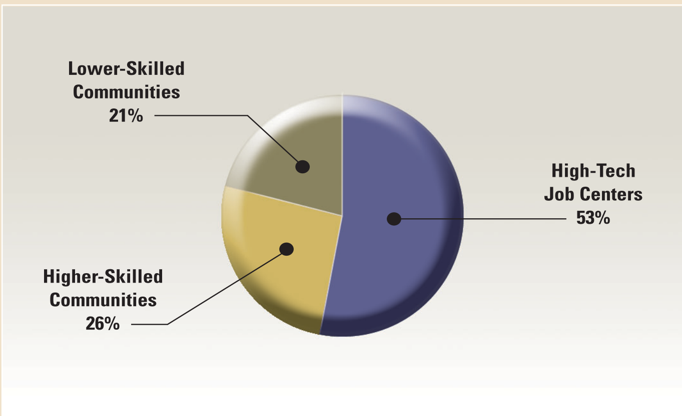
Strikingly, in 2001 more than half the Metro North Region SDA's jobs were located in the subregion's four high-tech job centers, over 25 percent in Cambridge alone. Between 1990 and 2001 these same four communities were responsible for more than half of all new jobs created in the subregion.

Job Density, Tech Employment, and College Graduates by Community Type

Community	Jobs / Population	Percent of Tech Employment	Percent of Adults with a BA or Higher
High-Tech Job Centers			
Burlington	171%	43	43
Cambridge	112%	52	65
Woburn	108%	56	29
Wilmington	105%	45	31
Higher-Skilled Communities			
Watertown	62%	28	47
Wakefield	60%	31	40
North Reading	49%	3	41
Winchester	38%	4	65
Reading	31%	2	48
Somerville	30%	3	41
Belmont	26%	3	63
Melrose	24%	7	40
Arlington	21%	4	53
Lower-Skilled Communities			
Revere	18%	3	13
Winthrop	13%	0	29
Chelsea	39%	9	10
Stoneham	39%	6	32
Medford	34%	4	32
Everett	34%	4	15
Malden	31%	3	26

Source: CorpTech

Share of Total Employment, 2001



Source: Massachusetts Division of Employment and Training

Therefore, the Greater Boston area is experiencing a distressing expansion of inequity, not only among individuals, but also among communities. The state has relied largely on new immigrants for all of its workforce expansion in the 1990s,[10] and many of these immigrants are locating in the poorest cities. This adds to the stress on these communities to provide needed services and adequately educate this workforce, which Massachusetts businesses continue to rely on and will need to rely on even more as the economy pulls itself out of the recession.

At the same time, the current fiscal crisis at the state level is resulting in significant cuts in state aid to cities and towns, which puts additional demands on local communities to fund services previously subsidized by the state. Such a shift is particularly harmful to the poorer communities, whose residents are much less able to pay the additional taxes needed to support such services.

Therefore, it is important for state policymakers to give more attention to this growing disparity among communities in the Greater Boston area. Efforts should be made

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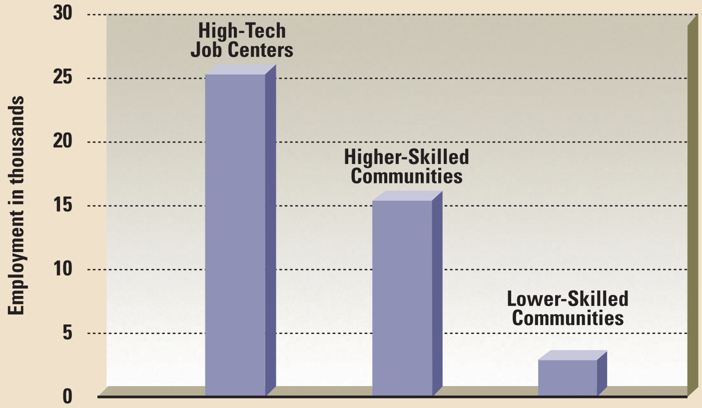
The subregion's nine "higher-skilled" communities boast a highly educated population but are generally more residential communities and presumably have limited available land and a small appetite for commercial and industrial development. Despite these constraints, in 2001 these nine cities and towns were home to a higher percentage of total subregional jobs and created more jobs than the region's "lower-skilled" communities did in the eleven years 1990–2001.

However, demographic patterns indicate that it is the Metro North subregion's seven "lower-skilled" communities that are responsible for the majority of the growth in the area's younger workforce. But a troubling percentage of these residents do not have the requisite educational attainment that will be required by growing industries in the region, and that will be required to access the economic opportunities afforded by the jobs created by these industries in the future.

These patterns suggest that regional community, business, and labor leaders would be wise to consider economic-development policies that both meet the needs of growing industries and extend economic opportunities to the region's many residents who were left behind during the last economic boom, by transforming lower- into higher-skilled communities.

Absolute Change in Employment, 1990–2001



Source: Massachusetts Division of Employment and Training

In light of the significant transportation, housing, and other infrastructure challenges facing much of the Greater Boston region, it is clear that doing so would help to overcome uneven regional development patterns by improving the competitiveness of those communities that can best accommodate new growth and development: the region's cities.

Population Change and Educational Attainment by Community Type

	High-Tech Job Centers (percent)	Higher-Skilled Communities (percent)	Lower-Skilled Communities (percent)	Metro North Region (percent)	State (percent)
Population Change 1990–2000					
Under 19 years of age	4.2	6.9	10.5	7.6	7.7
20–24	-1.3	-23.5	-19.8	-15.4	-25.7
25–44	0.2	-2.0	5.5	1.2	-1.6
45–64	20.1	16.5	15.7	17.0	21.0
65 and over	14.5	-3.5	0.2	1.3	4.7
Educational Attainment of Population over 25 in 2000					
Less than high school	10.1	11.1	19.9	14.1	15.2
High school	20.5	21.2	34.4	25.9	27.3
Some college/associates	18.8	20.3	23.3	21.0	24.3
BA or greater	50.6	47.4	22.3	39.0	33.2

Source: CorpTech

to reduce the rapidly expanding differential in incomes that has developed through the 1990s, e.g., with more broadly based statewide taxes for funding services and with enhanced efforts to improve the infrastructure in poorer communities (particularly transportation) to enhance business development in these areas and to increase higher-paying job opportunities there.

[1] David Terkla, Greater Boston—hub of the Commonwealth's economy, *Massachusetts Benchmarks* 1, no. 4 (fall 1998), and David Terkla, The Greater Boston region: Industry mix affects growth, *Massachusetts Benchmarks* 4, no. 1 (winter 2001).

[2] Randy Albelda and Donna Haig Friedman, Left behind: The persistence of poverty through the 1990s. *Massachusetts Benchmarks* 4, no. 4 (fall 2001), and Andrew Sum et al., *The state of the American dream in Massachusetts, 2002* (Boston: Center for Labor Market Studies and MassINC, 2002).

[3] Terkla, The Greater Boston region.

[4] Unless otherwise noted, all statistics cited in this article are derived from the U.S. Censuses of 1990 and 2000.

[5] This ratio is exaggerated because of the huge increases experienced by the two richest towns, Weston and Dover. The ratio between the poorest of the rich towns and the richest of the poor towns has increased substantially (about 1.6 times), but only a little over half as much as the ratio between Weston and Chelsea.

[6] John Ciccarelli, Claudia Green, David Terkla, and Jack Wiggin, Changes in the regional economy: An analysis of the economic health of Metropolitan Boston (Boston: The Metropolitan Area Planning Council, May 2002).

[7] Ibid.

[8] Ibid.

[9] Ibid.

[10] Robert A. Nakosteen and Andrew Sum, Immigration's impact on the Commonwealth. *Massachusetts Benchmarks* 4, no. 2 (spring 2001).

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